

Iowa Power Fund Board
Meeting Minutes August 13, 2008
Water's Edge Nature Center
Algona, Iowa

Call to Order:

Fred Hubbell, Chair, called the meeting to order at 10:15 A.M. He acknowledged a quorum.

Member	Present	Absent	Member	Present	Absent
Voting Members			Ex-Officio Members		
Fred Hubbell, Chair	X		Gregory Geoffroy		X
John Bilsten	X		Bill Giddings		X
Peter Hemken			Kent Henning		X
Patricia Higby	X		Senator Hubert Houser	X	
Carrie LaSeur	X		Senator Roger Stewart	X	
Richard Leopold	X		Rep. Nathan Reichert	X	
John Norris	Joan		Rep. Chuck Soderberg	X	
Bill Northey			Due Diligence Committee	Present	Present
Lucy Norton			Tom Barton	Franklin Codel	
Mike Tramontina	X		Ted Crosbie	Vern Gebhart	X
Thomas Wind, V-Chair	X		Curt Hunter	Fred Hubbell	X
			Patricia Higby	Roya Stanley	X

OEI staff in attendance: Roya Stanley, Brian Crowe, Bob Mulqueen, Sherry James

John Bilsten welcomed everyone to Algona and expressed appreciation for the opportunity to entertain the Board at the newly constructed Water's Edge Nature Center. He reported Algona was located in Kossuth County; the largest county in the state. Mr. Bilsten reported that due to the length of the board agenda, he didn't feel there was time for a coordinated tour but encouraged the attendees to visit the Nature Center at their convenience.

Approval of Agenda:

Action: Mr. Bilsten moved, Ms. LaSeur seconded, to approve the agenda as printed. All members present voted "aye".

Approval of Minutes:

Action: Mr. Tramontina moved, Mr. Bilsten seconded, to approve the July 9, 2008 Power Fund Board minutes as written. All members present voted "aye".

Chair's Remarks:

Chair Fred Hubbell reported there were several full applications being negotiated for contract and six more full applications to be presented at this meeting. The number of pre-applications is declining.

Due to the time constraint of the negotiations and the preparing for the annual department report that is due November 1st and the annual energy plan that is due December 14, Mr. Hubbell suggested cancelling either the November or December DDC meeting to allow staff more time to complete tasks.

Director's Remarks:

Director Roy Stanley expressed appreciation to John Bilsten for the invitation to Algona. She reminded the board of the public forum at 6:30 in the same facility as well as the board meeting and public forum in Mt. Vernon at Cornell College on September 10th.

Public Comments:

Mike Schiltz, Hydrogen Engine Center, gave an update on the HEC; Charlie Norris, Iowa Farm Bureau Federation, encouraged the Board to give serious consideration to proposals regarding corn fractionation; Jeff Schnell, Iowa Pork Producers, requested the board generously review current and future projects which implement corn fractionation. A support letter from Tim Recker, President of the Iowa Corn Growers Association, was also distributed urging the board to support corn ethanol.

Ms. Higby suggested the organizations show their support for the corn fractionation projects with match money.

Committee Reports:

Administrative Rules: There was no activity with the Administrative rules committee at this time.

Due Diligence: Director Stanley reported there were no pre-applications denied at the July 23 DDC meeting. The committee forwarded 6 of the 7 full applications presented at DDC to the August Power Fund board for their review. Director Stanley reviewed the negotiation status list. She reported to date there had been \$30,256,849 requested with a match of \$169,643,169. She reviewed the technical review process and reported that individual reviews were of high demand. The average cost is \$500 to \$1,000 per review.

The completed contracts list was reviewed. It was noted there are currently four projects that have been completed for a total of \$839,549 allocated funds.

Review of Full Applications:

Chairman Hubbell reminded the Board members of the prior discussion regarding the voting for the projects. The board members will vote following each presentation: 1.) yes, send the project application to a negotiation team to allow further discussion; 2.) table, to review at a later date to decide if still interested in the project; or 3.) no, not interested in the project. If the decision is made for a project to go to a negotiations team, it would still come back to the full board for final approval.

- **Biodiesel Plant at Marcus using PEF Pellet Boiler**, Soy Energy, LLC, Marcus, (\$3,431,829)

Action: Hubbell, yes to negotiate; LaSeur, no; Leopold, abstaining due to conflict of interest; Tramontina, yes to negotiate; Higby, yes to negotiate; Wind, no; Joan, yes to table; Bilsten, yes to negotiate. Results: Yes/negotiate = 3; yes/table = 2; no = 2; abstain = 1. *Decision –need 6 votes to move forward – not approved.*

■ Vertical Wind Turbine Manufacturer, Carbon-Free Energy, LLC, Oxford (\$250,000)

Action: Hubbell, yes to negotiate; LaSeur, yes to negotiate; Leopold, yes to negotiate; Tramontina, yes to negotiate; Higby, yes to table; Wind, no; Conrad, yes to negotiate; Bilsten, yes to negotiate.

Decision – yes, to negotiate. Negotiating committee is Wind, Tramontina, Hubbell

■ Green & Main – Indigo Dawn, LLC, Des Moines, (\$225,000) Action: Hubbell, yes if

limited to \$175,000; LaSeur yes to negotiate; Leopold yes to negotiate; Tramontina yes to table; Higby yes to negotiate; Wind yes to table; Conrad, no; Bilsten, no. Results: yes to negotiate= 4; yes to table = 2 and no = 2. *Decision – Tabled* Negotiating team to work with applicants to make a viable project to be resubmitted is LaSeur, Leopold and Conrad

■ I-Renew Energy & Sustainability EXPO, I Renew, Iowa City, (\$41,000) Action: Hubbell yes

to negotiate; LaSeur, abstain due to conflict of interest; Leopold yes to negotiate; Tramontina yes to negotiate; Wind yes to negotiate; Conrad yes to negotiate; Bilsten yes to negotiate; Higby, recuse.

Decision – yes to negotiate. No negotiating committee necessary, staff will assist in preparing contract.

■ TPI Wind Blade Advance Manufacturing Initiative, TPI Iowa LLC, Newton (\$2,100,000)

Action: Hubbell yes to negotiate; LaSeur yes to negotiate; Leopold yes to negotiate; Tramontina yes to negotiate; Higby yes to negotiate; Tramontina yes to negotiate; Conrad yes to negotiate; Bilsten yes to negotiate. *Decision – yes to negotiate.* Negotiating committee is Norris, Bilsten, Hubbell

■ Switchgrass, Prairie lands Enterprises, LC, Centerville, (\$500,000) Action: Hubbell, table;

LaSeur, table; Leopold, table; Tramontina, table; Higby, table; Wind, yes to negotiate; Conrad, table; Bilsten, table. *Decision – yes to table; requested DED review application.*

■ The Cornerstone BRAD, LLC and Bison Renewable Energy, LLC, Hull (\$7,500,000) –

requested to present at the September Power Fund Board meeting.

Planning Committee: Mr. Wind reported the committee is working with Navigant Consulting to assist with gathering the information for the Plan. The energy forums around the state will add additional comments into the Plan. The first work product on benchmarking to include advanced initiatives as well as conventional is due September 1st. A meeting has been scheduled for September 2 for the planning committee to meet with Navigant for an update. They will also be meeting with state agency directors to emphasize the importance of energy policy and energy issues, as well as to allow them to hear from the consultants and to respond. Board members are always welcome to attend.

Director Stanley requested participation from the Climate Change Advisory Committee to work with the planning committee and Navigant to discuss intersections and how to proceed with more numbers exchange. Director Leopold suggested utilizing leadership from CCAC for this interaction expressing it would be purely advisory, as they wouldn't have the power for decision making. Navigant's work is expected to be completed by October 1st.

Application Committee: There was nothing to report.

Energy Efficiency/Energy Education Taskforce: Iowa Green Corps-AmeriCorps Project- The Iowa Department of Economic Development, the Iowa Commission on Volunteer Service, Iowa Department of Natural Resources, and the OEI will work to establish a 20-member Iowa Green Corps focused on energy efficiency and conservation education/energy efficiency and weatherization improvements for lower-income homes and public buildings in disaster areas starting this fall.

Mr. Crowe reported DED would submit an application to the DDC for review of this project.

Awarding of Final Contract

Mr. Crowe reported there were two contracts that had completed negotiations and the staff recommended approval.

◇ Iowa Renewable Energy Association – \$41,000 – The project consists of the Iowa Power Fund being included in all statewide advertising undertaken by the Iowa Renewable Energy Association. The advertising goal of the campaign is to increase attendance by 25% of the Iowa Renewable Energy Association's 2008 Energy and Sustainability Expo. The Power Fund will also be listed as a sponsor of the 1200 DVD's which will contain 12 of the EXPO presentations to be created by the Iowa Renewable Energy Association. The DVD will be made available to schools, libraries and other interested parties.

Action: Mr. Tramontina moved, Mr. Leopold seconded, to approve granting funds to Iowa Renewable Energy Association as recommended. All members present voted "aye".

◇ Renewable Energy Group, Inc. - \$740,000 – The project will conduct research into alternative energy sources and commercialize the results for Iowans to benefit. The feedstock and other projects will aid in reducing Iowa's carbon footprint.

Action: Mr. Leopold moved, Mr. Wind seconded, to approve granting funds to Renewable Energy Group, Inc. as recommended. All members present voted "aye".

Public Comments:

There was no public comment.

Other Business:

Mr. Wind reported Dr. Robert Brown had contacted him regarding the opportunity for the University to apply for federal funding from the Power Fund with short turn around time for a federal grant match. There was discussion regarding the current process and the University would need to complete the pre-application to be submitted through the DDC.

Mr. Leopold updated the board regarding a recent conversation with POET to address his concerns of environmental impact. He visited with engineers at POET and reported he was satisfied with their responses to his concerns.

Ms. Higby expressed frustration in her recent attempt to connect to the Power Fund Board meeting via conference call. She felt there was more advanced technology that would allow the board members to participate via phone/internet/ICN, etc.

Adjournment:

There being no further business to discuss at this time, Mr. Tramontina moved, Mr. Leopold seconded, the meeting be adjourned at 5:30 P.M. All members present voted “aye”. The next Power Fund Board meeting will be held on Wednesday, September 10 at 10:00 AM, in Mount Vernon at the Cornell College.

Fred Hubbell, Board Chair

Sherry James, Recording Secretary

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